

The City has also continued its lead-safe work practices training program, in partnership with UNCA's Environmental Quality Institute and Asheville-Buncombe Technical College. 45 workers were trained during the program year.

Our lead-based paint training was well attended

Actions to Reduce the Number of Persons Living in Poverty

Most of the activities conducted by the CDBG and HOME programs benefit low and very low-income persons and help directly or indirectly to raise families out of poverty. Generally speaking, households below 30% of median income are also below poverty level, but the correlation is not exact. Statistics based on the Census definition of poverty cannot be gathered without imposing heavy additional reporting burdens on our subrecipient agencies.

Tables 11 and 12 (in Section XI) show that the programs with the greatest impact for people in poverty were:

- Hospitality House – services for the homeless
- Hillcrest Enrichment program
- AHC – rental education and TBRA programs
- EMSDC – You Stand job training program
- Vanderbilt Apartments Rehab

Overall, 59% of CDBG and 42% of HOME beneficiaries were from households below 30% of median income, i.e. most likely living in poverty.

Developing Institutional Structure and Enhancing Inter-Agency Coordination

Asheville is fortunate in the number and strengths of its non-profit agencies. A variety of formal and informal linkages exist between them and with government and the private sector.

- The **Asheville Regional Housing Consortium Board** provides an outstanding example of coordination in its oversight of the HOME program and advice to Asheville City Council on the allocation of funds. Encompassing 14 counties and municipalities, it has worked cooperatively since 1993 to bring the benefits of the program to all areas of the Consortium.

- The **Affordable Housing Coalition**, a 501(c)3 non-profit agency acts as an advocate for other agencies in the housing field, as well as operating its own program of housing-related services (but not housing production).
- The **Asheville-Buncombe Coalition for the Homeless** is an unincorporated forum in which all the major homeless service providers are represented. It has been very effective in lobbying for the homeless, in creating and refining the Continuum of Care, in prioritizing local applications for HUD Supportive Housing Grants, and in preparing for an HMIS system.
- **Pisgah Legal Services** plays an important role in providing research, planning, and grant-writing services to local non-profit agencies, through its CDBG grant.
- **Mountain Housing Opportunities** is successfully coordinating City departments, the Regional Water Authority, the Metropolitan Sewerage District, and other agencies in carrying out important infrastructure improvements in the West End/Clingman Avenue Neighborhood.
- **Neighborhood Housing Services** has joined with the Shiloh Neighborhood Association and the City Planning Department to implement neighborhood planning and revitalization efforts in that South Asheville neighborhood.

Monitoring and Technical Assistance

Most of the CDBG and HOME funds administered by the City of Asheville are disbursed through grants to other governments or non-profit agencies. A scope of work, budget, and standard program requirements are set out in each grant agreement. Each subrecipient must send in monthly or quarterly written reports, and support its reimbursement requests with invoices, payroll information or other specific back-up. Funds are never disbursed in advance of costs being incurred and documented.

The City maintains a Monitoring Plan that assesses the risks of each project and conducts a planned cycle of monitoring visits during the year to insure that projects are being carried out in accordance with the grant agreement, and in compliance with the HUD regulations. Full monitoring visits listed below include a detailed review of program documentation at the agency's own offices; other site visits are limited to observation of the program and technical assistance on specific issues. Not listed are the frequent telephone calls, e-mail exchanges,

and technical assistance meetings in City Hall, that take place as projects are implemented.

All subrecipients and CHDO's are required to attend at least one formal training session each year, conducted by City staff. During the reporting year, staff provided the following sessions:

1. Mandatory Start-Up Training for all subrecipients – September 12, 2003;
2. Mandatory Lead-Based Paint Regulatory Compliance Training – April 2004.

<u>CDBG – Full Monitoring Visits</u>	<u>CDBG – Site Visit/Technical Assistance</u>
Mountain Housing Opportunities – WECAN Infrastructure	EMSDC – SPS Redevelopment – Relocation and ERR
Neighborhood Housing Services – Housing Services and Single Family Development	Flynn Christian Fellowship Home
Mountain Microenterprise Fund	Vanderbilt Apartments – Fire Panel Replacement
Grove Arcade Public Market Foundation	WNC Housing – Ross Creek Commons
ABCRC Fair Housing Assistance Program – HUD Monitoring	HACA – Woodfin Apartments
Asheville Area Habitat for Humanity – East End Place and Housing Services	NHS – Single Family Development and DPA
Affordable Housing Coalition – HomeBase and Homebuyer Education	MHO – CDBG funds with Program Income
	Brotherton Development
	Asheville Area Habitat – Income Eligibility
	ABCRC Fair Housing Assistance Program
	MHO Emergency Repair Program
	NHS – S/F New Construction
	Asheville Area Habitat – Enka Subdivision
	EMSDC – South Pack Square Redevelopment
	City-Wide Rehab – Self monitoring
<u>HOME – Full Monitoring Visits</u>	<u>HOME – Site Visit/Technical Assistance</u>
Neighborhood Housing Services	Housing Assistance Corporation – Village at King Creek
Henderson County Habitat	MHO – Prospect Terrace construction
Transylvania County Housing Development Corp.	MHO – Northpoint Commons

Consolidated Report

Black Mountain Rural Rehab	W. Carolina Community Action – English Hills
Affordable Housing Coalition – TBRA Program	Madison County – Rural Housing Rehab program
	First Step Farms
	MHO – Single Family Rehabilitation Program

Rental Housing Inspections (HOME Program only)

HUD regulations require annual on-site inspections for HOME-assisted rental housing developments consisting of 26 or more units, inspections every 2 years for developments of 5–25 units, and every three years for developments of 1–4 units. Inspections include compliance with property standards, rent limits, and tenant income limits.

During the reporting period, initial occupancy reviews were carried out for Compton Place and Hillside Commons Apartments. These reviews analyzed the projects' rent roll to determine rent compliance and tenants' income eligibility at initial occupancy. All units were occupied by tenants with incomes less than 60% AMI. Since both these developments were newly constructed, on-site inspections to determine compliance with property standards will be conducted during the next reporting period. Following is a table listing all the Consortium's HOME-assisted rental projects subject to inspection.

<u>Development</u>	<u>Units</u>	<u>Last Inspected</u>	<u>% Units < 60% AMI</u>	<u>Next Inspection</u>
Mountain Springs Apts, Asheville	44	9/98	100	6/05
* Excelsior Apts, Brevard	20	5/03	95	6/05
River Glen Apts, Arden	38	6/03	97	6/05
Overlook Apts, Asheville	48	9/98	96	6/05
* Laurel Bridge Apts, Asheville	10	6/03	80	6/05
Laurel Wood Apts, Asheville	50	N/A	100	7/04
Wind Ridge, Asheville	40	6/03	97	6/05
Dunbar Place Apts, Asheville	74	6/03	100	6/05
LIFE House Apts., Asheville	20	NEW	100	7/04
Compton Place Apts, Asheville	40	6/04	100	6/05
Hillside Commons Apts, Hendersonville	36	10/03	100	6/05

* At initial occupancy, all units in these developments were rented to families with incomes equal or less than 60 % AMI.

Relocation & Displacement

The City makes every effort not to displace anyone unless absolutely necessary. The planned conversion of Woodfin Apartments into housing for people with special needs has required relocation of 10 existing tenants. During the reporting year, the last three tenants were successfully relocated. As required by the Uniform Relocation Act, the tenants were given ample time to relocate,

help in choosing decent, safe, new accommodation, reimbursement of moving costs, and financial assistance to cover any difference in rent for up to 42 months.

The City's optional "hardship relocation" policy was used to relocate a tenant family displaced from a grossly substandard unit by Housing Code Enforcement action.

The relocation of the last business to be displaced by the South Pack Square Redevelopment Project was under way but not completed by the end of the reporting period.

The table below summarizes relocation activities during the reporting year.

Table 8
Relocation Cases

Case Number	Census Tract <u>from</u> which tenant moved	Census Tract <u>to</u> which tenant moved
Woodfin-8	1	6
Woodfin-9	1	7
Woodfin-10	1	1
Hardship -1	25.02	25.02
EMSDC-3	1	under way

Recapture Provisions for Homeownership Activities (HOME Program only)

In providing homeownership assistance to eligible families, the Asheville Regional Housing Consortium adheres to the recapture provisions set forth in Part 92.254 of the HOME Final Rule. These provisions ensure that each housing unit will remain affordable to a reasonable range of low- and moderate-income homebuyers according to the following schedule:

<u>HOME Funds Provided</u>	<u>Period of Affordability</u>
Less than \$15,000	5 years
\$15,000 – \$40,000	10 years
More than \$40,000	15 years

All HOME funds are provided in the form of a zero percent, non-amortizing, deferred second mortgage, secured with a Promissory Note and Deed of Trust. When repayment is due (e.g. on subsequent sale) the homeowner is ensured

recovery of his/her investment, including subsequent improvements and cost of sale. At the City's discretion, a subsequent low-income buyer may assume the HOME loan.

For example, if a low-income family buys a HOME-assisted unit for \$100,000, but can afford a first mortgage of only \$80,000, up to \$20,000 of HOME funding may be rolled into a deferred, zero percent, second mortgage, enabling the family to make monthly payments only on the \$80,000 first mortgage. If, however, during the 10-year period of affordability the family decided to sell the house to a non-income-eligible family, the HOME investment would have to be repaid. If the home was re-sold for \$110,000, the HOME loan would be repaid in full and the homeowner would realize \$10,000 (less costs of sale) in equity appreciation. However, if the home sold for only \$95,000, the HOME repayment would be reduced so that the owner was not in a "negative equity" position.

The City of Asheville has provided all HOME subrecipients with a model Promissory Note and Deed of Trust to ensure compliance with the Recapture provisions and other HOME requirements, as applicable.

Affirmative Marketing

The City of Asheville has established procedures to affirmatively market housing units rehabilitated or newly constructed through the HOME and CDBG programs, to ensure that individuals of similar economic levels in the same housing market area should have available to them a like range of housing choices regardless of their race, color, religion, sex, or national origin.

The City and its partners in the Consortium have adopted procedures to:

1. Inform the public, potential tenants and others about the federal Fair Housing Law and Affirmative Marketing policies;
2. Require owners to inform the general public about available rehabilitated units;
3. Solicit applications from persons in the housing market area who are not likely to apply for units without special outreach;
4. Require owners to keep records on (a) the racial, ethnic and gender characteristics of tenants and applicants and (b) activities they (the owners) undertake to inform the general renter public;

5. Assess the affirmative marketing efforts of property owners by examining owners' records on actions they have taken;
6. Take corrective action if it is concluded that an owner has failed to carry out the required affirmative marketing procedures.

Affirmative Fair Housing Marketing Plans are on file at the on-site offices of Overlook, Laurel Wood, Wind Ridge, Mountain Springs, Excelsior, Dunbar Place, River Glen, Compton Place, and Hillside Commons apartments.

Table 12 shows that of the 81 households assisted with HOME funds during the reporting period, 25% were Black, 74% were White, and 5% were Hispanic (compared with a general population in the area that is 6% Black, 91% White, and 3% Hispanic). The marketing policies carried out by the City and its subrecipients and CHDOs are evidently effective in reaching a diverse group of beneficiaries, whether classified by income, race, national origin, age, or family type.

Minority Business Outreach

The City of Asheville and Buncombe County have jointly developed an Office of Minority Affairs and a Minority Business Plan to increase contracting opportunities for minority and women-owned businesses. Under this Plan:

1. City and County have adopted percentage goals for participation in contracts and subcontracts by African American– Hispanic–, Asian–, Native American– and Women–owned business enterprises (MWBE).
2. Policy statements set out procedures for including MWBEs in the bidding process.
3. Contracts require the 'good faith efforts' of contractors and subcontractors in helping meet goals. Minority Business Compliance forms are included in construction packages.
4. The Office of Minority Affairs maintains a list of certified MWBEs. The list is easily accessed on the City and county websites and is updated frequently.
5. Certified MWBEs are notified of contract opportunities by the Office of Minority Affairs .
6. Where possible, large contracts are split into smaller components to enable MWBEs to bid on contracts within their capacity.

7. The Office of Minority Affairs continually networks with City and County departments, including Community Development staff, and with other agencies, and conducts outreach activities to identify new MWBEs and help them compete for City and County contracts.

City HOME and CDBG agreements with subrecipients and CHDOs require “good faith efforts” to make contract opportunities available to MWBEs. The Minority Affairs Office in conjunction with our office provides information to these agencies to help them carry out these efforts. Our most active housing producers, Neighborhood Housing Services and Mountain Housing Opportunities, regularly notify the Office of Minority Affairs of their contract opportunities and use the Directory of Certified MWBEs to extend bidding opportunities to these enterprises.

In general the City and its partner agencies using HOME and CDBG funds have been very successful in contracting with women-owned businesses, but there is a shortage of licensed and certified minority-owned contractors and subcontractors in our entire area and relatively few bids are received from such businesses.

Matching Funds (HOME Program only)

For every \$100 in HOME funds expended on projects, the Consortium is required to provide at least \$25 in matching non-federal funds. The City of Asheville maintains a Match Log to account for all match funds, either cash or non-cash, that are expended on HOME-assisted activities each program year. In some projects, match funds exceed the 25 percent requirement, resulting in surplus match funds, which can be carried forward to reduce the amount of required match in future fiscal years.

Large amounts of surplus match have been generated by Habitat for Humanity activities in Asheville and in Henderson County. Habitat finances each house at a zero percent interest rate for twenty years. The HOME regulations allow match to be calculated as the difference between the yield of this “below market interest rate” loan and the yield that would have been realized if a market interest rate had been used. As a result, the Consortium is not currently requiring Member Governments and CHDOs to generate match on their other projects.

The Consortium's detailed match log for the reporting year can be found in Section XI.

Section V: Citizen Comments

The draft CAPER was made available for public comment through a notice published in the Asheville Citizen-Times on August 30, 2004. No comments were received on this report during the public comment period.

Section VI: Self Evaluation

Impact of programs

The City of Asheville, Consortium members, and partner agencies has again made solid achievements in addressing the priority needs identified in the 2000–05 Consolidated Strategic Plan, and in some cases have already exceeded the five–year targets.

The primary focus is affordable housing. During the reporting year, we completed **284 units of affordable housing** assisted with CDBG or HOME funds, a 7% increase over the previous year’s total and well ahead of the Strategic Plan target.

This figure does not include units produced by our partners using other funding sources, nor does it count affordable homes constructed by for–profit developers who took advantage of the City’s Housing Trust Fund and Fee Rebate programs. We are aware of at least 170 other affordable units produced during the reporting year.

Major housing developments completed during the year include:

- 44 new single–family homes built by seven different agencies, with at least one unit in each of the Counties in the Consortium. This breaks last year’s record for the largest number produced in one year in the Consortium
- Preservation of 149 units for the elderly and disabled at Vanderbilt Apartments through replacement of its obsolete and non–code–compliant fire safety system
- Completion of 8 new apartments at Ross Creek Commons for people needing permanent supportive housing.
- Acquisition of the Battery Park Apartments in downtown Asheville, which will now remain affordable for at least 40 years. Renovation work will be completed in 2004–05.

Continued rental production is assured for the next two years, with construction of two tax credit projects underway, at Northpoint Commons in Woodfin and English Hills in Brevard, and tax credit awards secured for the Griffin

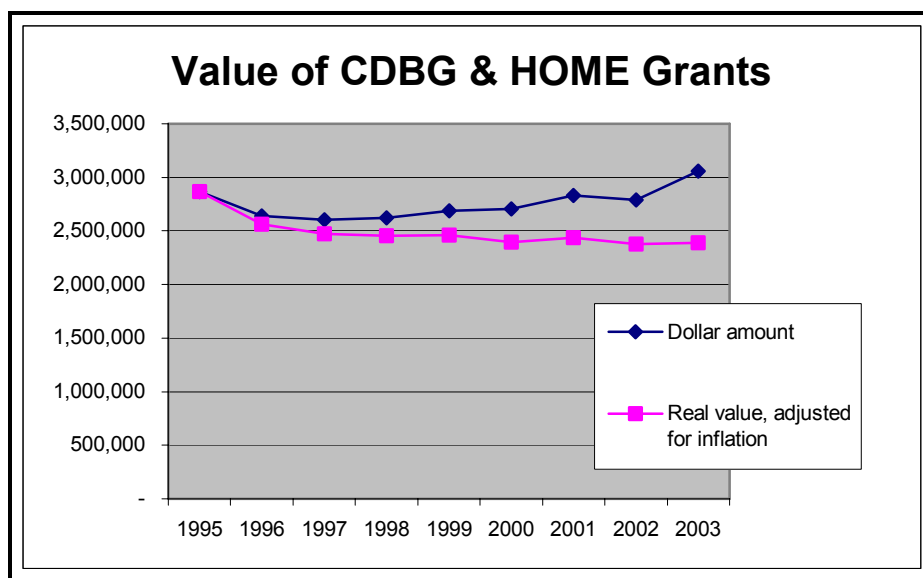
Apartments in Asheville and Highland View Apartments in Hendersonville. New single family housing construction will continue at a high rate in Buncombe and Henderson Counties.

We continue to reach a large number of people through other CDBG-funded programs. The emphasis remains on programs that support housing programs or economic development and job training.

Plans for the first major redevelopment of the deteriorated South Pack Square commercial area are now complete, but implementation has unfortunately been delayed by legal action.

Barriers Having a Negative Impact

1. A major barrier to further achievements is the level of funding. The chart below shows that although recent increases in HOME funding have increased the combined dollar value of our HUD grants, their real value, adjusted for inflation, continues to fall.
2. The attractiveness of our area to retirees, people acquiring second homes, and professional people moving here for a better quality of life has created a significant pressure on the housing market which is felt at all price levels.
3. It is becoming very difficult, over the entire Consortium area, for developers to acquire land suitable for affordable housing development at reasonable prices.



4. Construction costs are rising alarmingly. This is a national trend, but local costs are also significantly higher than costs to build the same quality of housing elsewhere in the state.

5. Affordable housing developers continue to experience opposition from local residents objecting to denser, lower cost housing in their vicinity and to loss of open space, and, in some cases, voicing objections to the type of people likely to live there.

Status of Grant Programs

Table 1 in Section II (Overview) shows that the City has had no difficulty in meeting HUD spending targets. The unexpended balances at the close of the fiscal year represented only 79% of the CDBG entitlement grant level and 115% of the HOME grant. Virtually all unspent funds had been committed to specific projects.

Changes in Consolidated Plan Strategies

We have found no need to make formal changes to the major priorities and goals set out in the Strategic Plan, but nonetheless there have been changes in emphasis and in strategies. In the coming year, two areas will receive special attention:

Plan to End Homelessness

The City of Asheville and Buncombe County have set up a Steering Committee to oversee the preparation of a joint 10-Year Plan to end Homelessness with initial emphasis on ending chronic homelessness . HUD has mandated a goal of reducing the number of chronic homeless by 50% by 2008 and eliminating the condition by 2013. The Steering Committee expects to complete its plan before the end of (calendar) 2004.



We anticipate that successfully implementing this plan will require a significant shift of CDBG and HOME resources into the creation of more permanent supportive housing ; but CDBG and HOME funds alone will not be enough; it will also depend crucially on the availability of other federal and state funding specifically tied to this national initiative.

Asheville's Mayor Charles Worley and Philip Mangano, Director of the U.S. Interagency Council on Homelessness, announce the City and County's commitment to ending homelessness.

Performance Measurement

The 2000–2005 Consolidated Strategic Plan and successive Annual Action Plans and CAPERs include most of the elements of performance measurement identified in HUD Circular CPD–03–09:

- 5-year and annual goals/objectives
- Expected and actual units of accomplishment for each project, either annually or upon completion, depending on the nature of the project
- aggregation of program year accomplishments and comparison with goals/objectives
- outputs from HUD funding shown separately (in most cases)
- outcome measures for most projects, and for the consolidated CDBG and HOME programs as a whole, including:
 - ⇒ number of households benefiting from improved housing, by housing type
 - ⇒ additional units of shelter or housing for the homeless

- ⇒ persons significantly improving their housing of economic opportunities through public service programs
- ⇒ creation of new jobs and of business opportunities for LMI entrepreneurs

However there is room for improvement in selecting and differentiating output and outcome measures for each assisted project, and we are working with subrecipient agencies to make this a routine part of their application for funds, their grant or loan agreements, and their reporting. Next year's CAPER will show outcome measures for each project, and the system of performance measurement will be an integral part of the Consolidated Plan for 2005–10.

Section VII: Certification that the City is pursuing its HCD Plan

i. By Pursuing Resources

The City has pursued all federal state and local resources identified in its annual Action Plans. Section III of this plan shows how CDBG and HOME funds have been used successfully to leverage other resources.

ii. By Supporting Grant Applications by Other Agencies

The City has actively supported other public and private non-profit agencies in developing new programs and applying for funding from HUD and other sources. No agency seeking a Certificate of Consistency with the City's Consolidated Plan was refused.

iii. By Acting to Implement the Consolidated Plan

Section IV demonstrates the progress that the City and its partners have made in implementing the Consolidated Plan. The City has committed and expended CDBG and HOME funds in a timely manner. It has never hindered this process by action or deliberate inaction.

Section VIII: Detail of CDBG Program Activities

Table 9 lists the CDBG-assisted projects that were active during the reporting period, and the budget and expenditure for each (excluding CDBG program income received and expended by subrecipients). The subsequent pages contain detailed reports on each project.

Demographic characteristics of CDBG beneficiaries are shown in Table 11. The location of completed housing units is shown on the maps in Section X.

Table 9

Summary of CDBG-Assisted Projects

Page	Project Title	\$ Budgeted	\$ Expended	\$ Balance
A. Housing				
33	City-Wide Rehabilitation	864.463	484.045	380.418
34	Asheville Hardship Relocation Assistance	12.816	500	12.316
35	Brotherton Avenue Development	4.570	2.834	1.736
36	East End Place Subdivision	0	0	0
37	Asheville Area Habitat Housing Services	50.000	50.000	0
38	Asheville Area Habitat - Enka Development	79.246	0	79.246
39	MHO Scattered Site H'ship (program income)	0	0	0
40	MHO Emergency Repair (excl. program income)	80.011	77.495	2.516
41	MHO Housing Services	60.000	60.000	0
42	MHO Downtown SRO	40.000	30.923	9.077
43	NHS Down Payment Assistance	23.600	23.600	0
44	NHS Housing Services (excl. program income)	17.122	17.121	1
45	NHS Single Family Development	199.102	199.102	0
46	Vanderbilt Apartments	50.000	50.000	
47	Woodfin Apartments	79.201	72.316	6.885
48	WNC Housing - Ross Creek Commons	0	0	0
Subtotal (Housing)		1,560.13	1,067.936	492.195
B. Economic Development				
49	EMSDC - South Pack Square Redevelopment	360.260	313.259	47.001
50	EMSDC - You Stand Program	25.014	25.014	0
51	Grove Arcade - Income Net	160.000	0	160.000
52	Mtn. Microenterprise - Foundations	30.000	30.000	0
Subtotal (Economic Development)		575.274	368.273	207.001
C. Public Services & Fair Housing				
53	AHC Homeowner Education/Counseling	50.000	50.000	0
54	AHC Renter Education/Case Management	60.000	60.000	0
55	Consumer Credit Counseling	20.000	20.000	0
56	Housing Authority - Hillcrest Enrichment	35.000	35.000	0
57	Hospitality House Homeless Services	95.000	95.000	0
58	ABCRC Fair Housing	15.000	15.000	0

CDBG Projects

Subtotal (Public Services)	275.00	275.00	0
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Summary of CDBG-Assisted Projects (continued)

Page	Project Title	\$ Budgeted	\$ Expended	\$ Balance
D. Neighborhood Improvements. Infrastructure. Public				
59	Property Disposition (from redevelopment)	16,600	13,589	3,011
60	Code Enforcement Demolitions	41,370	0	41,370
61	West End/Clingman Infrastructure – Phase II	147.14	105.35	41.789
62	Prospect Street Infrastructure	140.00	10,965	129,035
63	Clingman Avenue Infrastructure	34,500	0	34,500
64	Flynn Christian Fellowship Home	61,165	6,024	55,141
Subtotal (Neighborhood Improvements)		440.77	135.93	304.846
E. Debt Service				
65	Section 108 Loan Debt Service	112.00	106.00	6.000
F. Administration and Planning				
66	Pisgah Legal Services Resource Development	33,476	30,624	2,852
67	CD Administration	236.61	229.73	6.876
Subtotal (Administration & Planning)		270.08	260.36	9.728
G. Unallocated Funds				
67	Contingency	22,236	0	22,236
GRAND TOTALS		3,255.5	2,213.5	1,042.0

City-Wide Rehabilitation – FAIR and CARROT Programs HUD #465 and #466

CDBG Activity Code: 14A Single-Unit Residential

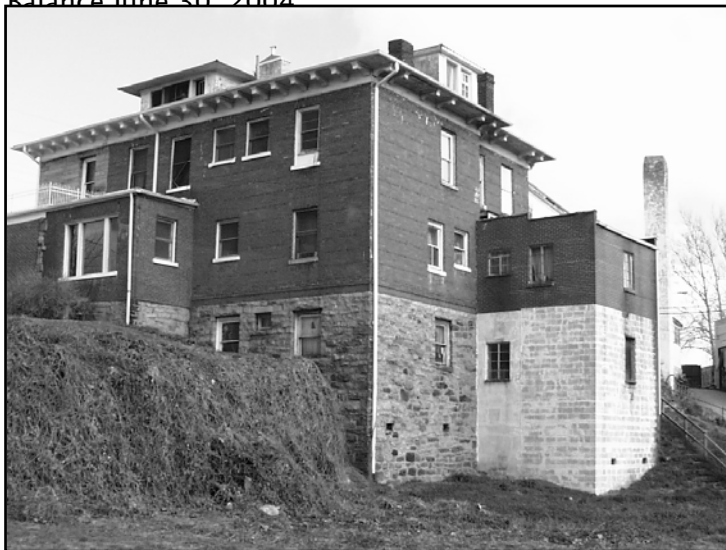
Agency: City of Asheville

Activity Location: City-wide

Activity Description: Rehabilitation of substandard single-family and multi-family housing units having low and moderate-income occupants. FAIR is a low-interest loan program that enables owner-occupants to improve their housing conditions by offering financial and technical assistance for housing rehab. Low-interest rehabilitation loans are also available for investor owners through the CARROT loan program. Assistance includes counseling, referral, specification writing, estimating, bidding, and construction inspection services.

Accomplishments: Completed 4 units of owner-occupied rehabilitation through the FAIR program. Households were assisted by repairing code violations to eliminate health and safety hazards, preserve the housing stock, and increase property values. Low-interest and deferred payments keep housing payments affordable for these homeowners. Also completed rehabilitation of 11 SRO units in downtown Asheville through the CARROT program. 14 units currently under construction (3 FAIR; 11 CARROT).

Budget Information:	CDBG	Section 108
Funds Budgeted This Period:	\$864,463	\$723,540
Funds Expended This Period:	\$484,045	\$ 62,427
Balance June 30, 2004:	\$380,418	\$661,113
	\$0	0
	\$380,418	\$ 62,427



*This imposing building on
Biltmore Avenue has been*

Asheville Hardship Relocation Assistance HUD # 486

CDBG Activity Code:	08 Relocation
Agency:	City of Asheville
Activity Location:	City-wide
Activity Description:	Provides limited relocation counseling and financial assistance to low to moderate-income households under the City's Optional Relocation Policy. Assistance may be provided to households displaced by code enforcement or displaced during rehab of their home through the FAIR Program if necessary to prevent financial hardship.
Accomplishments:	Provided hardship relocation to one rental household to move from a rental unit with serious code violations to a safe, sanitary and affordable rental unit.

Budget Information:

CDBG Funds Budgeted This Period:	\$12,816
CDBG Funds Expended This Period:	\$500
CDBG Balance June 30, 2004:	\$12,316
Other Federal Funds Expended This Period:	\$0
Non-Federal Funds Expended This Period:	\$0
Total Project Funds Expended This Period:	\$500

**Brotherton Avenue Development
HUD # 407**

CDBG Activity Code: 03 Public Facilities and Improvements (General)

Agency: City of Asheville

Activity Location: Corner of Brotherton Avenue and Virginia Avenue in West Asheville

Activity Description: Development of a 6.8 acre tract owned by the City of Asheville for a 32-unit Multi-Family Homeownership Development. Project to provide homeownership opportunities to families in a setting designed to foster a sense of community. Mixed income project: 22 units affordable to LMI families.

Accomplishments: Developer Jack Morse withdrew from project as a result of being unable to secure construction financing with acceptable terms. Contract was terminated by the City of Asheville in February 2004. A new RFP was developed and issued in August 2004. HUD approved a waiver reducing the number of affordable units to 18. To date, all CDBG-funded infrastructure work, planning and site engineering is complete; approximately 38% of infrastructure work remains to be completed by new Developer. Final zoning approved in May 2003. Architectural design is 75% complete. Developer to be selected in Fall 2004.

Budget Information:

CDBG Funds Budgeted This Period:	\$4,570
CDBG Funds Expended This Period:	\$2,834
CDBG Balance June 30, 2004:	\$1,736
Other Federal Funds Expended This Period:	\$0
Non-Federal Funds Expended This Period:	\$0
Total Project Funds Expended This Period:	\$2,834

East End Place Subdivision

HUD # 304

CDBG Activity Code: 03 Public Facilities and Improvements (General)

Agency: Asheville Area Habitat for Humanity

Activity Location: Martin Luther King Jr. Drive, Asheville

Activity Description: Infrastructure improvements for development of site into a 6-unit affordable single-family subdivision by Asheville Area Habitat for Humanity.

Accomplishments: Construction 100% complete on all 6 homes. Five families selected for homeownership at East End Place and 4 have closed on their homes. Average sales price – \$112,900, CDBG subsidy per unit – \$11,387. Affordable 0% interest mortgages provided by Habitat.

Budget Information:

CDBG Funds Budgeted This Period:	0
CDBG Funds Expended This Period:	0
CDBG Balance June 30, 2004:	0
Other Federal Funds Expended This Period:	\$0
Non-Federal Funds Expended This Period:	\$248,630
Total Project Funds Expended This Period:	\$248,630



East End Place

Asheville Area Habitat for Humanity – Housing Services HUD # 586

CDBG Activity Code: 14 H Housing Rehabilitation (Used for Housing Services Activity)
570.201(k) Housing Services

Agency: Asheville Area Habitat for Humanity, Inc. (CBDO)

Activity Location: Services provided at 30 Meadow Road. Development activities performed at Twin Springs Subdivision off Broadview Drive, and East End Place.

Activity Description: Operating cost to administer home ownership activities. Activities include client intake, financial counseling, homebuyer education, home maintenance training, loan servicing, as well as development and general oversight of the construction of new homes for low to moderate-income families. East End housing units counted under individually funded CDBG activity.

Accomplishments: Completed construction of 9 new single-family homes on London Road, Shady Oak Drive and East End Place, using CDBG and other funds. Of the 9 completed homes, 7 were sold at 0% mortgages to low to moderate income households and 2 remain to be sold. An additional 7 affordable single-family units are under construction on East Oakview Road and pre-development work is underway to develop the 55-unit Habitat Enka Development.

Budget Information:

CDBG Funds Budgeted This Period:	\$50,000
CDBG Funds Expended This Period:	\$50,000
CDBG Balance June 30, 2004:	\$0
Other Federal Funds Expended This Period:	\$0
Non-Federal Funds Expended This Period:	\$17,901
Total Project Funds Expended This Period:	\$67,901

Asheville Area Habitat for Humanity – Enka Development HUD # 571

CDBG Activity Code: 01 Acquisition

Agency: Asheville Area Habitat for Humanity, Inc. (CBDO)

Activity Location: 17.3 acres on Sand Hill Road in Asheville

Activity Description: Acquisition of property on Sand Hill Road in the Enka area for the construction of a new development of approximately 55 new single family homes for LMI households. Also funded and reported under HOME.

Accomplishments: Placed land under contract, performed Phase I and II Environmental Studies (negative), acquired additional CDBG and HOME support for acquisition (CDBG) and infrastructure (HOME). Engineered subdivision drawings 75% complete. Property to close in Fall 2004.

Budget Information:

CDBG Funds Budgeted This Period:	\$79,246
CDBG Funds Expended This Period:	0
CDBG Balance June 30, 2004:	\$79,246
Other Federal Funds Expended This Period:	\$0
Non-Federal Funds Expended This Period:	\$18,302
Total Project Funds Expended This Period:	\$97,548

**MHO Scattered Site Homeownership
HUD # 598**

CDBG Activity Code: 05R Homeownership Assistance

Agency: Mountain Housing Opportunities, Inc. (MHO) CBDO

Activity Location: City-Wide

Activity Description: Promotion of affordable homeownership through downpayment and closing cost assistance for low to moderate income homebuyers of MHO developed homes. Assistance available up to \$10,000 per family.

Accomplishments: Provided homeownership opportunities to 3 low to moderate income families. MHO completed construction of 5 new homes on the corner of Michigan and Indiana Avenues in West Asheville. Three of the homes were sold to LMI families and further assisted with DPA homebuyer assistance. The families also received \$20,000 second mortgages through the NCHFA New Homes Loan Pool. Average sales price \$128,000 for 3 bedroom/2 bath. The other two homes were not CDBG-assisted and were sold at market rates.

Budget Information:

CDBG Funds Budgeted This Period:	\$0
CDBG Funds Expended This Period:	\$0
CDBG Balance June 30, 2004:	\$0
CDBG Program Income Expended This Period:	\$29,955
Other Federal Funds Expended This Period:	\$0
Non-Federal Funds Expended This Period:	\$0
Total Project Funds Expended This Period:	\$29,955

MHO Emergency Repair HUD # 448 and #568

CDBG Activity Code: 14A Rehabilitation, Single-Unit Residential

Agency: Mountain Housing Opportunities, Inc. (MHO)

Activity Location: City-Wide

Activity Description: Emergency home repair assistance to at many as 35 homes within the City limits of Asheville. Program addresses conditions that present imminent threats to health, safety and accessibility, including roof, electrical, plumbing, and furnace repair, installation of handicap ramps, grab bars and other accessibility improvements.

Accomplishments: In the City of Asheville, MHO used CDBG funds to assist 25 low to moderate income households with emergency home repairs to remove health, safety and accessibility issues. The costs of emergency repairs in 2003-04 increased by 60% (avg. repair cost \$2821) due to the size of the jobs and increased labor and material costs.

An additional 136 emergency repairs were made in Asheville and Buncombe County using funding from other sources. Budget below represents entire Program.

Budget Information:

CDBG Funds Budgeted This Period:	\$80,011
CDBG Funds Expended This Period:	\$77,495
CDBG Balance June 30, 2004:	\$2,516
CDBG Program Income Expended This Period:	\$1,142
Other Federal Funds Expended This Period:	\$889
Non-Federal Funds Expended This Period:	\$326,383
Total Project Funds Expended This Period:	\$405,909

An unusual fuse box location created quite a shocking hazard in this home!



MHO – Housing Services
HUD # 585

CDBG Activity Code: 14 H Housing Rehabilitation (Used for Housing Services Activity)
 570.201(k) Housing Services

Agency: Mountain Housing Opportunities, Inc. (MHO) (CBDO)

Activity Location: Services provided at 64 Clingman Avenue. Development area includes West End Clingman Avenue Neighborhood – CT 9, BG 4 – 92.7% LMI area, and community-wide.

Activity Description: Engage in activities and services that result in the production, rehabilitation and maintenance of HOME–assisted or HOME–eligible affordable housing units produced by MHO. Activities include client recruitment and counseling, loan referrals and project management. Housing units counted under individually funded CDBG and HOME activities.

Accomplishments: Continued project development and production for the following:

- Northpoint Commons – new construction of 39 rental units;
- Woodfin Apartments – rehab of 19 rental units for homeless and special needs;
- Griffin – new construction 50 rental units of which 15 efficiency units set aside for homeless;
- 280 Merrimon – rehab of 8 rental units;
- Prospect Terrace – new construction of 17 homeownership units (10 LMI, 7 market).

Completed lease up of Compton Place and construction of 5 new single–family homes on Michigan and Indiana. Three of the 5 homes sold to LMI households.

Budget Information:

CDBG Funds Budgeted This Period:	\$60,000
CDBG Funds Expended This Period:	\$60,000
CDBG Balance June 30, 2004:	\$0
Other Federal Funds Expended This Period:	\$0
Non–Federal Funds Expended This Period:	\$0
Total Project Funds Expended This Period:	\$60,000

MHO Downtown SRO – The Griffin
HUD # 555

CDBG Activity Code: O1 Acquisition

Agency: Mountain Housing Opportunities, Inc. (MHO) (CBDO)

Activity Location: Grove Street in downtown Asheville

Activity Description: Acquisition and site development for new construction of 50-unit rental complex in downtown Asheville. Fifteen efficiency units will be reserved for the homeless, and 15 1-bedroom and 20 2-bedroom units will serve other low income persons. Total project budget estimated at \$5,293,371.

Accomplishments: Acquisition completed July 1, 2004. Tax credit application submitted for \$485,393, additional HOME, HTF and Buncombe County funding secured in the amount of \$386,000, financing packages in place.

Budget Information:

CDBG Funds Budgeted This Period:	\$40,000
CDBG Funds Expended This Period:	\$30,923
CDBG Balance June 30, 2004:	\$9,077
CBDO Proceeds Expended This Period:	\$0
Other Federal Funds Expended This Period:	\$0
Non-Federal Funds Expended This Period:	\$0
Total Project Funds Expended This Period:	\$30,923



*Architect's rendering of the planned Griffin Apartments
(Reinhardt Architecture, inc.)*

**NHS Down Payment Assistance
HUD # 375**

CDBG Activity Code: 05R Homeownership Assistance

Agency: Neighborhood Housing Services of Asheville, NC, Inc. (NHS)

Activity Location: City-Wide

Activity Description: Promotion of homeownership through downpayment and closing cost assistance for first-time homebuyers up to \$15,000 per family. Project also provides homebuyer support services. Administrative costs are charged to each activity.

Accomplishments: Agency provided 24 households with downpayment, closing cost assistance and support services. Of the 24, 18 were low to moderate-income (LMI) households. 13 LMI households were assisted in the City of Asheville of which 1 was directly assisted with CDBG funds. All other funding was provided through Neighborhood Reinvestment Corporation. NHS's DPA Program also serves the four-county Consortium.

Budget Information:

CDBG Funds Budgeted This Period:	*\$23,600
CDBG Funds Expended This Period:	\$23,600
CDBG Balance June 30, 2004:	\$0
CDBG Program Income Expended This Period:	\$0
Other Federal Funds Expended This Period:	\$166,250
Non-Federal Funds Expended This Period:	\$0
Total Project Funds Expended This Period:	\$189,850

*Original 2003-04 CDBG allocation \$0. Amount increased by \$19,000 to reflect the entitlement funds transferred from NHS Housing Services due to the use of unplanned CDBG program income. Budget also includes \$4600 in CDBG funds expended in 2002-03, but drawn down in 2003-04.

NHS Housing Services

HUD # 574

CDBG Activity Code: 14 H Housing Rehabilitation (Used for Housing Services Activity)
570.201(k) Housing Services

Agency: Neighborhood Housing Services of Asheville, NC, Inc.
(NHS)
(CBDO)

Activity Location: Services provided at 135 Cherry Street, Asheville;
development activities City-Wide.

Activity Description: Housing services activities supporting a wide range of housing development and neighborhood improvement efforts in targeted neighborhoods – Montford, West Asheville, and Shiloh areas. Activities include project development and oversight, client intake, referrals, loan processing and client counseling for DPA and/or purchase of CDBG and HOME assisted properties. Work also includes neighborhood planning in the Shiloh community and developing a Community Land Trust as an additional affordable housing option. Housing units counted under individually funded CDBG and HOME activities.

Accomplishments: Activities supported completion of 14 single-family modular homes. Of the 14, 12 have sold to LMI buyers and the remaining 2 are awaiting sale. In addition, construction of 4 additional single-family homes is 70% complete. Site acquisition and grading is underway for 4 additional homes. NHS continued neighborhood planning and organizing work in the Shiloh Neighborhood. Activity on community land trust suspended until funds are raised for staff and land acquisition. Average sale price of 3 bed/2 bath modular homes – \$116,580 with average subsidy of \$27,967.
Budget

Budget Information:

CDBG Funds Budgeted This Period:	* \$17,122
CDBG Funds Expended This Period:	\$17,121

CDBG Projects

CDBG Balance June 30, 2004:	\$1
CDBG Program Income Expended This Period:	\$42,879
Other Federal Funds Expended This Period:	\$48,000
Non-Federal Funds Expended This Period:	\$172,000
Total Project Funds Expended This Period:	\$280,000

*Original 2003-04 CDBG allocation \$60,000. Amount reduced to reflect use of unplanned CDBG program income received by NHS. Difference of entitlement funding transferred to NHS Single Family Development and DPA Program.

NHS Single Family Development HUD # 569

CDBG Activity Code: 12 Construction of Housing

Agency: Neighborhood Housing Services of Asheville, NC, Inc. (NHS) acting as a CBDO.

Activity Location: City-Wide, with emphasis on Shiloh neighborhood

Activity Description: Development subsidy for construction of 6 new single-family homes for low to moderate-income households.

Accomplishments: Construction completed on 10 modular homes for LMI homebuyers. Construction 70% completion on 3 more.. Average sale price of 3 bed/2 bath modular homes – \$116,580 with average subsidy of \$27,967.

Budget Information:

CDBG Funds Budgeted This Period:	* \$199,102
CDBG Funds Expended This Period:	\$199,102
CDBG Balance June 30, 2004:	\$0
CDBG Program Income Expended This Period:	\$40,750
Other Federal Funds Expended This Period:	\$0
Non-Federal Funds Expended This Period:	\$547,101
Total Project Funds Expended This Period:	\$786,953

*Original 2003-04 CDBG allocation \$175,000. Budget amount increased by \$24,102 due to the transfer of funds from NHS Housing Services because of unplanned CDBG program income received by NHS.

Attention to detail in the gable trim adds to the appeal of this modular house



Modules being delivered next door to a recently installed house on Erskine Ave.

Vanderbilt Apartments HUD #508

CDBG Activity Code: 14B Rehabilitation Multi-Unit Residential

Agency: Vanderbilt Apartments, Inc.

Activity Location: 75 Haywood Street, Asheville

Activity Description: Replace fire alarm panel and upgrade the remainder of the system to meet existing health and safety codes for the 149-unit apartment building serving low and moderate-income residents.

Accomplishments: Project 100% complete and now providing an up-to-date fire alarm system to protect the safety of tenants ; includes improved sensors and addressable system connected to main office.

Budget Information:

CDBG Funds Budgeted This Period:	\$50,000
CDBG Funds Expended This Period:	\$50,000
CDBG Balance June 30, 2004:	\$0
Other Federal Funds Expended This Period:	\$0
Non-Federal Funds Expended This Period:	\$57,110
Total Project Funds Expended This Period:	\$107,110

Total Project Development Costs:

CDBG Funds Budgeted:	\$50,000
CDBG Funds Expended:	\$50,000
CDBG Program Income Expended:	\$0
Other Funds Expended: (Janirve Fndn; Vanderbilt Reserve)	\$71,114
Total Project Funds Expended:	\$121,114



Woodfin Apartments
HUD #556

CDBG Activity Code: 14B Rehab; Multi-Unit Residential

Agency: Housing Authority of the City of Asheville

Activity Location: 15 Woodfin Avenue in Downtown Asheville

Activity Description: Acquisition and renovation of the 19-unit Woodfin Apartments. All units to be affordable and occupied by LMI persons. Residents will include the homeless and persons with chronic mental illness and/or AIDS.

Accomplishments: All residents have been permanently relocated and construction has begun with the removal of the lead hazards. The rehab contract has been awarded. Loan closing is estimated for September and construction to shortly follow. Construction completion estimated for August of 2005.

Budget Information:

CDBG Funds Budgeted This Period:	\$79,201
CDBG Funds Expended This Period:	\$72,316
CDBG Balance June 30, 2004:	\$6,885
CDBG Program Income Expended This Period:	\$0
Other Federal Funds Expended This Period:	\$67,735
Non-Federal Funds Expended This Period:	\$0
Total Project Funds Expended This Period:	\$140,051



The historic Woodfin Apartments (19 units) will be rehabilitated and preserved as permanent supportive housing

**WNC Housing HUD 811 Supportive Housing –
Ross Creek Commons
HUD # 505**

CDBG Activity Code: 01 Acquisition of Real Property

Agency: WNC Housing, Inc. (WNCH)

Activity Location: 16 Old Chunn's Cove Road, Asheville, NC

Activity Description: Project will provide for the new construction of 8 one-bedroom apartment units for low-income persons with mental disabilities. Federal rent assistance, case management and a broad range of support services will be provided.

Accomplishments: Construction 100% complete. Tenant lease-up underway. Units planned to be 100% occupied by September 2004.

Budget Information:

CDBG Funds Budgeted This Period:	\$0
CDBG Funds Expended This Period:	\$0
CDBG Balance June 30, 2004:	\$0
Other Federal Funds Expended This Period:	\$635,200
Non-Federal Funds Expended This Period:	\$100,000
Total Project Funds Expended This Period:	\$735,000

*One of the two quadraplex buildings
at Ross Creek Commons, which will
provide permanent supportive
housing for people with chronic
mental illnesses.*



EMSDC South Pack Square Redevelopment HUD # 365

CDBG Activity Code:	17C Commercial / Industrial Building Acquisition, Construction, Rehabilitation
Agency:	Eagle/Market Street Development Corporation (EMSDC) (CBDO)
Activity Location:	Eagle/Market Street area of South Pack Square, Census Tract 1– 87.8% LMI. Target redevelopment properties are: 17–23 Eagle St., 3 Wilson Alley, 38, 40 (vacant lot) 46 & 70 S. Market Street.
Activity Description:	EMSDC will facilitate commercial redevelopment in the historically African American business center of downtown Asheville. Activities include redevelopment planning, acquisition, construction and rehabilitation of agency–owned parcels.
Accomplishments:	Completed Partnership Agreements with Historical Acquisitions, Inc. and Enterprise Real Estate Services, Inc. and design work for the redevelopment of 17–23 Eagle and 3808– S. Market to create 8,000 square feet of retail and 14 residential units . Environmental reviews, appraisal, architectural design and related engineering complete. General contractor procured. Relocation of the last existing tenant is underway. In process of securing remaining financing through New Markets Tax Credit program. Project was significantly delayed by a lawsuit brought by a neighboring property owner.

Budget Information:

CDBG Funds Budgeted This Period:	\$360,260
CDBG Funds Expended This Period:	\$313,259
CDBG Balance June 30, 2004:	\$47,001
Other Federal Funds Expended This Period:	\$0
Non–Federal Funds Expended This Period:	\$17,500
Total Project Funds Expended This Period:	\$330,759

*Architect's rendering of the
redeveloped buildings on
Eagle and S. Market Streets
(Rowhouse Architects, Inc.)*



EMSDC You Stand Program
HUD # 580

CDBG Activity Code:	05H Employment Training
Agency:	Eagle/Market Street Development Corporation (EMSDC) (CBDO)
Activity Location:	Services provided at 70 South Market Street, Asheville. Service area includes Eagle/Market Street area of South Pack Square, Census Tract 1 – 87.8% LMI. Boundaries include Biltmore Avenue, South Charlotte Street and Eagle Street.
Activity Description:	Employment, job coaching and/or business development assistance to low-to moderate-income individuals with severe barriers to employment and entrepreneurship. Working from self-generated action plans, You Stand participants work with staff and volunteers experienced in the areas of counseling on social services or business development to remove barriers to success and to connect with needed services in the Asheville Buncombe County area.
Accomplishments:	<p>Program served 89 clients. Staff and volunteers provided goal-oriented case coordination and support to 67 program participants with severe barriers to employment:</p> <ul style="list-style-type: none"> • 55 participants removed a primary barrier to employment within the service year. • 22 participants obtained jobs, and 5 responded to a 6-month survey that they remained in stable, living-wage employment. • 18 participants enrolled in job training, skill building or an employment certification program; 7 successfully completed the enrolled program within the year. <p>17 participants were enrolled in Individual Development Assets (IDAs) for education; 15 remained active and 14 withdrew funds in the amount of \$33,744 for educational purposes. A total of \$8,436 was saved by the participants. For every dollar saved by the participant, the saving was matched 4:1 through Assets For Independence (AFI–NC Department of Labor). Also provided business development space and group support in collaboration with MMF.</p>